



Request for City Council Committee Action From the Department of Public Works

Date: June 10th, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Honorable Lisa Goodman, Chair Community Development Committee
Referral to: Honorable Barb Johnson, Chair Ways and Means Committee

Subject: Downtown East Municipal Parking Ramp Final Construction Change Order

Recommendation:

- 1) That proper City officers be authorized to execute change orders to Contract C-17006 for additional work required on the Downtown East Municipal Parking Ramp. Approve Change Order Nos. 14 through 17 increasing said contract with Penn-Co Construction, Inc by \$693,458.13 for a new total of \$14,875,531.69;
- 2) Increase the project appropriation by \$316,621 to pay the balance of project expenses. Funding is available from interest earnings on bond proceeds, parking fund loan interest and MCDA's Transit Oriented Development (TOD) allocation to cover the appropriation increase;
- 3) Passage of the attached resolution to amend the 2003 capital appropriation resolution to increase appropriation for Public Works in the Municipal Parking Fund in the PW-Transportation Capital Agency for expenses related to the Downtown East municipal parking ramp by \$316,621 funded from an increase to revenue source 3755 in the amount of \$316,621 (7500-943-9464) listed under the attached finance plan and recommendation 4) below;
- 4) Approve amended finance plan to include interest earnings on bond proceeds to pay project expenses, dedicate interest earnings from parking fund loan to pay project expenses, use TOD allocation to pay project expenses;
- 5) Approve the attached resolution authorizing a capital advance from MCDA Fund CPZ (Common Project Reserve) – TOD allocation in the amount of \$398,091 to MCDA Fund CDT (Downtown East LRT);
- 6) Amend the MCDA 2003 Appropriation Resolution to increase the appropriation in Fund CPZ (Common Project Reserve) in the amount of \$398,091 from the available fund balance and increase the appropriation in Fund CDT (Downtown East LRT) in the amount of \$398,091 and increase the revenue estimate in Fund CDT by \$398,091;
- 7) TOD allocation to be reimbursed from air-rights sale proceeds when they become available;
- 8) Waiver of General Fund overhead fee for project, as initially approved in original finance plan.

Previous Directives:

Council has approved the overall project in original Council Action dated September 29th, 2000.
Council has approved Change Orders 1 – 13 in Council Action dated December 30, 2002.

Prepared by: Michael W. Sachi, Parking and Skyway Systems Engineer 673-2159
Approved by: Klara A. Fabry, P.E., City Engineer, Director of Public Works

By:

Jon Wertjes, Assistant Director, Transportation & Parking Services

Presenters in Committee: Michael W. Sachi, Parking and Skyway Systems Engineer

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.

(If checked, go directly to Background/Supporting Information)

☒ Action requires an appropriation increase to the Capital Budget

☒ Action requires an appropriation increase to the to the MCDA Budget

☐ Action requires an appropriation increase to the Operating Budget

☒ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached

The Downtown East parking ramp is currently open and operational on the block bounded by Park Avenue & Kirby Puckett Place, 4th Street S. to 5th Street S. The ramp consists of 455 underground parking stalls on two floors. (See Exhibit A)

Phase 2 of the Project included construction of the public parking ramp. Penn-Co Construction, Inc was the successful low bidder, and has completed their scope of work. I am forwarding Change Orders 14 through 17 (see Exhibit B) for your Committee's approval. This is the **final** group of change orders for this phase of the project and covers change management actions for which notices-to-proceed have been issued to the contractor. The actions are listed on the change orders with a brief explanation of the work. The work included in these change orders will increase the contract amount by \$693,458.43, for a new total of \$14,875,531.99.

These costs have been negotiated as part of a global settlement with the contractor for all outstanding project costs to date.

In addition, an increase in the appropriation is necessary to cover the additional construction costs. The original finance plan has been modified to include interest earnings on bond proceeds to be used for project expenses, interest earned on a loan from the parking fund and repayment through tax-abatement revenue will also be used to pay project expenses. Finally, revenue from the Minneapolis Community Development Agency's Transit Oriented Development allocation will be used to pay the remainder of the project expenses totaling \$398,091, which will be reimbursed through the sale of air-rights for future development on this site. An updated appraisal of the value of the air rights is being performed and will be available in approximately 90 days. The attached sources and uses statement provides the breakdown of the funding and expenses for the project (See Exhibit C) Exemption from payment of City General Fund overhead is requested. The original finance plan approved in May of 2001 did not include general fund overhead, but a waiver was not formally adopted by the City Council. This exemption was originally agreed to by finance staff in order for bond counsel and Board of Estimate and Taxation to approve the sale of parking revenue bonds.

Attachments: Exhibit A – Site Plan

Exhibit B – Change Order Summary

Exhibit C – Revised Finance Plan

Exhibit D – MCDA Resolution

Exhibit E – City Resolution